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Agency IT Plan Contact Data

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Review of Agency's IT Architecture

North Dakota state tax administration and revenue collection is supported through the use of technology enablers such as the Gentax integrated tax system, web e-file applications, personal computers, imaging and automated data capture, and desktop productivity tools such as Word, Excel, Access, and PowerPoint.

The Gentax system is a client server application built on the Windows .net architecture. All tax department employees have access to the Gentax system via the desktop PC. The Gentax application and database servers are hosted and supported by Information Technology Department (ITD).

The department has an Information Technology support section of 6 staff members. The department IT staff provides the following IT services to department staff:

Support for daily operation of the GenTax system; monitoring GenTax scheduled jobs and resolution of problems as they arise.

Support for over 180 desktop PCs and printers.

Support for a variety of small Access databases used to track ad hoc issues throughout the department

Support for development, testing and implementation of internet and intranet changes.

Modifications for GenTax configuration and modules as well as requests for enhancements, maintenance and required legislative changes with assistance from the FAST Enterprises on-site support team.

The department contracts with Fast Enterprises for on-site support services for the Gentax integrated system. FAST on-site staff provides the following support services:

Resolve defects in ND-specific configurations and modules (defects not covered by maintenance)

Assist with system configuration changes to implement legislative mandates such as changes to rates, line items, and compliance issues.

Enhance the utilization of GenTax by Tax Department staff by improving related business processes, identifying opportunities for additional efficiencies, and expanding the analysis of data.

Assist with changes and development of new interfaces to other systems (e.g. online filing, imaging requests).

Coordinate problem resolutions and upgrade requests with Fast Enterprises Solution Center.

Coordinate best practice recommendations with other Fast Enterprise clients.

Analyze and install service packs and upgrades.

Fine tune performance issues.

Maintain, analyze and review databases.

Provide training for developers, operators and end users

While considerable knowledge transfer has been achieved during the current biennium, the complexity and depth of GenTax requires ongoing support from FAST to maintain the GenTax product.

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Planned Infrastructure Activities and Changes

The department contracts with ITD for server hosting, database hosting, data storage and software development to support our current e-file initiatives.

Our primary system is the integrated Gentax system which was implemented under the TREND project. The TREND Project finished on time and under budget on June 30, 2007. The Gentax system is maintained by department IT staff along with FAST Enterprises on-site support.

Noteworthy IT milestones implemented internally by the Tax Department over the past year are:

1. Implemented the Legislative mandated Property Tax Relief Program including issuance of certificates to taxpayers, carrying credits forward and submitting EFT to counties.
2. Implemented changes for 2008 processing season for all tax types.
3. Implemented quarterly Local Option Tax changes.
4. Implemented new core recoveries modeling (Revenue Accounting component).
5. Implemented new security features.
6. Implemented user tracking.
7. Implemented Service Pack (G) for mail subsystem making the system faster and more efficient.
8. Implemented Service Packs (A-E) for all subsystems.
9. Completed Oil and Gas Interface to replace A/R Process previously residing on Legacy.
10. Automated Contractor's Clearance Project (approximately 1,500 taxpayers) moving from 100 percent manual process to very minimal manual intervention.
11. Automated processes for compliance of Income Tax Withholding Tax allowing for annual reconciliation, non-filer process to begin in a timelier manner.
12. Automated processes for compliance of Sales Tax using auto generated letters resulting in substantially fewer work items requiring manual intervention.
13. Implemented reconciliation process for compliance of Motor Fuels reconciling inventories for each licensed motor fuel dealer on an annual basis rather than relying on dealers to submit data.
14. Implemented new Discovery Manager and set up seven IIT discoveries, three of which currently are being pursued.
15. Developed CIT discoveries to be implemented within the next couple of months.

All of these milestones have been completed internally with department IT and FAST Enterprises staff with no outsourcing for services, except for the Oil and Gas Interface. ITD assisted Tax Department IT and GenTax developers with interfacing the PowerBuilder System with GenTax. In addition to the service requests identified above, Tax Department IT staff continues to provide on-going support for enhancement service requests logged using the GenTax® SQR Manager.

Changes which require Optional Adjustments:

1. Included in IT Contract Services and Repairs is the amount of $1,234,000 for ongoing on-site support from Fast Enterprises.

    Funding this request will allow the Tax Department to contract with FAST Enterprises for continued on-site support. While considerable knowledge transfer has been achieved during the current biennium, the complexity and depth of GenTax will require ongoing support from FAST to maintain the GenTax product.
    FAST support staff has access to GenTax Core Code to which Tax IT staff does not have access. The Core Code is the propriety code of the GenTax system. Tax IT staff only has access to ND specific code and the modules that allow configuration changes for this site. When there is a need to trace functions performed within the GenTax Core Code, only FAST staff has the ability to do this.
    On-site support is a critical component to the successful use of the integrated tax system. FAST resources work directly with Tax Department and ITD staff to ensure the

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system is providing the most effective functionality, while increasing the State's level of competence for ongoing operations and maintenance.

On-site FAST developers ensure that version/release control of the State's new integrated tax system is managed effectively. This also allows the department to increase the knowledge transfer for configuration changes required to support legislative changes to the N.D.C.C.

Service Packs complement and enhance the GenTax Core product. As more taxing jurisdictions purchase the GenTax product, ND Tax Department benefits from the added components and configuration required to meet the needs of all GenTax clients. FAST staff on site ensures that these service packs are installed in a timely and effective manner. In addition, if the State funds the maintenance and support contract at the level proposed by the vendor, this support will apply to full system upgrades as well. Finally, this expanded support enables the Tax Department to configure and implement additional taxes into the GenTax system, further enhancing the integrated approach to tax processing, administration, and compliance.

2. The IT Software and Supplies has an optional amount of $65,075 which will cover increased maintenance costs for the Gentax integrated system.

3. IT Equipment over $5000 has the optional amount of $58,000 to replace two high volume scanners and two network printers.

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1. If applicable, describe the reason for any extraordinary increase or decrease in your infrastructure costs.

2. Total number of desktop computers: 157
   Number of desktops for which you are requesting replacement funding: 115
   Average replacement cost/desktop: 784

3. Total number of laptop computers: 43
   Number of laptops for which you are requesting replacement funding: 26
   Average replacement cost/laptop: 1,600
What state planning region are these desktop/laptop computers located?

Region 1	2 **2**	5 **3**	0 **4**	3 **5**	8 **6**	2 **7**	178 **8**	2

4. What percentage of these pcs are running the following operating systems:
   (total should be equal to 100%)

Open Source OS	0 %
MAC OS	0 %
Windows Vista	0 %
Windows XP	100 %
Other	0 %

5. What additional expenditures are being paid out of non-appropriated funds?
Please explain:

IT Asset Management Plan
Hardware:
Desktop PCs are replaced every 4 years and notebook PCs are replaced every 3 years.
Leased high volume printer – This is our high volume printer which is under lease until Jun 30, 2009. In May of 2009 we will determine if we will renew the existing lease for the same printer or enter into a new lease with a newer high speed and volume printer.
Laser printers – We have 7 HP Laser printers which 2 are scheduled to be replace next biennium and the remaining 5 to be replaced the subsequent biennium.
Scanners – We have 6 high volume scanners and 8 are hand held single image scanners.
The single image scanners are replaced as needed since their costs are under $300 per unit. These scanners are replaced about every 4 years or as needed.
The high volume scanners used for processing of tax returns are scheduled to be replaced every 6 years with 2 scanners being replaced each biennium. The need for these scanners is being evaluated yearly as e-file is continuing to reduce the volume of documents being scanned.
Software:
All COTS software is covered by yearly maintenance contracts. These contracts are reviewed each year when the maintenance contract is due to see if the software is still being used and to review the value of the software maintenance contact.

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All licenses for Microsoft Office are covered via the Microsoft Software Assurance plan. This provides us upgrades and fixes to the entire Microsoft Office suite for all of our PCs.

Human Capital:

The Tax Department has 6 IT staff and one IT Manager. We are in the process of reviewing all IT staff PIQs as 4 of the 6 PIQs were over 5 years old. Currently we have 3 Data Processing Coordinators and 3 Programmer Analysts at different levels. Our main focus with the IT staff is retention so we are consistently looking for ways to improve their environment and making sure we are competitive with other employers.

A salary study is planned for October 2008 to determine if our IT salaries are competitive with other State Agencies with similar IT positions. Adjustments will be evaluated if inadequacies are found in the positions.

PIQs and salaries will continue to be reviewed each year during Performance Evaluations. Training was provided for staff in the past when we moved into new technologies. We are continuing to look for training opportunities for staff.

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		CURRENT APPROPRIATION	BUDGET REQUEST	OPTIONAL ADJUSTMENTS	REQUEST PLUS OPTIONALS	SUBSEQUENT BIENNIUM
IT5110	SALARIES - PERMANENT	$0	$719,544	$0	$719,544	$0
IT5160	FRINGE BENEFITS	$0	$233,564	$0	$233,564	$0
IT5310	IT SOFTWARE AND SUPPLIES	$1,167,425	$1,167,425	$65,075	$1,232,500	$1,300,000
IT5510	IT EQUIPMENT UNDER $5000	$39,600	$57,600	$74,187	$131,787	$85,000
IT6010	IT DATA PROCESSING	$1,120,120	$1,111,120	$27,343	$1,138,463	$1,250,000
IT6020	IT COMMUNICATIONS	$196,000	$192,000	$0	$192,000	$192,000
IT6030	IT CONTRACT SERVICES & REPAIRS	$1,795,550	$11,000	$1,234,000	$1,245,000	$1,295,000
IT6930	IT EQUIPMENT OVER $5000	$18,000	$0	$58,000	$58,000	$58,000
	Total Budget:	**$4,336,695**	**$3,492,253**	**$1,458,605**	**$4,950,858**	**$4,180,000**
001	STATE GENERAL FUND	$1,989,145	$3,492,253	$1,458,605	$4,950,858	$4,180,000
287	INTEGRATED TAX SYSTEM FUND 287	$2,347,550	$0	$0	$0	$0
	Total Funding:	**$4,336,695**	**$3,492,253**	**$1,458,605**	**$4,950,858**	**$4,180,000**

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Project: Oil&Gas   Oil & Gas Gentax Integration

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Agency Priority - 1   **Project Type:** Application replacement   **Age of Current Application:** 8

Project description

This project will include the modification of existing components and configuring new components required within the GenTax system to integrate the Oil and Gas tax returns. When completed, the Gentax system will replace the current Oil & Gas tax system that is currently managed by ITD. The Oil & Gas system manages tax returns which provided the state revenue of just over $188 million over the last year.

Briefly describe the business need or problem driving the proposed project.

The current system is one of the last silo tax systems within the Tax Department. This system was developed by ITD in 1999 using Power Builder. Since PowerBuilder is not an Enterprise Architecture approved standard for software development, ITD is no longer doing development in Power Builder and their resources for maintaining the system are quickly diminishing.

Describe how the project is consistent with the organizations mission.

When completed, all areas of the Oil & Gas tax will be administered using the Gentax system. Currently only the Accounts Receivable component of this tax is administered using Gentax with a complicated interface back to the existing Power Builder system to process returns, payments and refunds.

Describe the anticipated benefits of the project and who will derive the benefits.

Modifications to the new system will be timelier because changes to the system will be made in-house by existing Tax Department IT staff.

The Oil and Gas returns will be one of many tax types administered using the Gentax system. This consistency across tax types enables Tax Department IT staff to generate reports, make EOY changes, and modify the configuration to make enhancements to the Oil and Gas tax type just as they do for all other tax types.

Describe the impact of not implementing the project.

If the project is not implemented, the Tax Department will continue to administer this tax type using the existing PowerBuilder based system. ITD will continue to support the current system with no guarantee of quality of the PowerBuilder resources available.

Identify any risks associated with implementing this project and explain how the risks will be mitigated.

Administering the Oil and Gas Tax returns, payments and refunds within GenTax will be quite different than it is using the existing system. Extensive training for all staff members will be required to make a smooth transition.

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Describe the additional costs?

The additional costs are staff costs based on ITD's "ESTIMATING AND REPORTING REALLOCATED STAFF COSTS" spreadsheet.

Enter any additional costs for the project that are not included in IT Object Codes used in the Project Cost Screen?

Additional Costs? - $225,000

Optional Project Costs - $0

Total Project Cost? -   **$1,725,000**

Tot Proj Costs + Optionals -   **$1,725,000**

What additional expenditures are being paid out of non-appropriated funds?

None

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Project: Oil&Gas   Oil & Gas Gentax Integration

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IT6030	IT CONTRACT SERVICES & REPAIRS	$0		$1,500,000	$1,500,000	$0
	Total Budget:	**$0**		**$1,500,000**	**$1,500,000**	**$0**
001	STATE GENERAL FUND	$0	$0	$1,500,000	$1,500,000	$0
	Total Funding:	**$0**		**$1,500,000**	**$1,500,000**	**$0**

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Project: TAP/FIT   TaxPayer Access Program/Financial Institution Tax

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Agency Priority - 1   **Project Type:** New initiative   **Age of Current Application:** 7

Project description
Taxpayer Access Program (TAP) is a module within Gentax which provides secure taxpayer self-service functions via the Internet. Taxpayers can view account status, inspect filing and payment history, and file and pay online.

TAP also has the ability to provide a web presence to allow taxpayers to enter a specific tax type return directly into Gentax after validation. This capability within TAP would replace the current Financial Institution Tax (FIT) front end system.

Briefly describe the business need or problem driving the proposed project.
Currently Gentax is used only for accounts receivable for FIT, and we maintain a separate system to collect and manage FIT returns. The existing FIT system is a standalone system which was developed by an external company that no longer supports the system. Legislative changes required to this system are quite cumbersome because of the complexity and unique way it was developed.

Describe how the project is consistent with the organizations mission.
Our Vision statement reads 'The vision of the Office of State Tax Commissioner is to instill the highest degree of public confidence in our integrity and reliability by providing prompt, accurate and courteous service while promoting compliance with the tax laws of North Dakota".

Describe the anticipated benefits of the project and who will derive the benefits.
TAP will allow taxpayers to view the status of their refunds, allow businesses to file change of address notices, review returns from past years and make payments for taxes due.

The additional information available on the Internet will provide prompt and accurate information for FIT customers in a timelier manner. Phone calls should be reduced allowing for more time for staff to provide courteous service promoting compliance of the FIT laws of North Dakota.

Describe the impact of not implementing the project.
The FIT tax returns will continue to be processed using the current, unstable, standalone system. The problems associated with FIT will continue unless we hire a vendor to rewrite the front end collection of FIT returns and then integrate the collected tax return into GenTax.

Identify any risks associated with implementing this project and explain how the risks will be mitigated.

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There are no risks; the risk is in not implementing this project. GenTax is the tool used to administer most tax types for the past two years. Any modifications made to the system to implement additional tax types undergo extensive testing before migrating them to NDP.

Describe the additional costs?

The additional costs are staff costs based on ITD's "ESTIMATING AND REPORTING REALLOCATED STAFF COSTS" spreadsheet.

Enter any additional costs for the project that are not included in IT Object Codes used in the Project Cost Screen?

Additional Costs? - $187,500

Optional Project Costs - $0

Total Project Cost? - $1,437,500

Tot Proj Costs + Optionals - $1,437,500

What additional expenditures are being paid out of non-appropriated funds?

None

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IT6030	IT CONTRACT SERVICES & REPAIRS	$0	$0	$1,250,000	$1,250,000	$0
	Total Budget:	**$0**	**$0**	**$1,250,000**	**$1,250,000**	**$0**
001	STATE GENERAL FUND	$0	$0	$1,250,000	$1,250,000	$0
	Total Funding:	**$0**	**$0**	**$1,250,000**	**$1,250,000**	**$0**